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ABSTRACT

The status of performance standards used in the Job Training Partnership Act (JTPA) Title II-A and Title III programs was assessed in April and May 1985. Survey responses were received from 49 states. Forty states reported plans to use the Employment and Training Administration adjustment methodology to establish local performance standards. Of the 40 states that use the methodology to establish service delivery area (SDA) standards, 36 found its ability to be applied objectively to SDAs to be a strength. States who used it felt the lack of uniform data definitions was the greatest cause for concern. The proportion of 6 percent funds used for incentive awards remained stable or increased and ranged from 0 to 100 percent. The most common type of eligibility criterion for an incentive award was the requirement that a particular number of standards be met or exceeded. Eighty-five percent of the states had a reporting system for the attainment of youth employment competencies. Sixty percent of the SDAs had youth employment competency systems actively serving youth. Preemployment competencies were the most common categories of competencies offered, with work maturity a close second. Eighty percent of the states reported they would have operational follow-up systems in place by the beginning of program year 1986. (YLB)

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ASSESSMENT OF ADULT AND YOUTH PERFORMANCE STANDARDS UNDER THE JOB TRAINING PARTNERSHIP ACT

by

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EXECUTIVE SUMMARY

NGA surveyed all States and territories in May and June, 1985, and performed the analysis with funds from the National Commission for Employment Policy. Responses from 49 States are included in the survey unless otherwise indicated. Given the State's role in implementing JTPA performance standards a variety of policies and approaches are being taken. The greatest concern the States expressed was in the need for consistently defined data to establish and adjust standards. The survey revealed that, overall, State and local program operators have made significant progress in implementing a meaningful performance standards system but that there a number of areas where Federal direction is still needed. Major findings of the assessment were in five areas:

Adjustment of Standards to Account for Local Conditions

- For PY 85, forty (82%) of the forty-nine States responding indicated that they planned to use the Employment and Training Administration (ETA) adjustment methodology (known as "the model") to establish local performance standards.

- Of the forty-three States that use the national adjustment methodology for at least one performance measure, thirty-eight (86%) recalculate the standards at the end of the year based on actual JTPA Annual Status Report (JASR) data.

- Thirty-six of the forty States (90%) that use the model to establish SDA standards responded that its ability to be applied objectively to SDAs was a strength.

- The greatest cause for concern among States that use the model is the lack of uniform data definitions.

Use of 6% Funds

- The percentage of funds used for incentive awards generally remained stable or increased between PY 84 and PY 85. PY 85 will be the first year in which States must make incentive awards for exceeding performance standards.

- In PY 84 the proportion of funds used for incentive awards ranged from zero to 100%. One-fifth of the States responding used no 6% funds for incentive awards in PY 84.

    - Six of these States (13%) used 100% of the funds for technical assistance.

    - Twenty-one States (46%) used a portion of the 6% funds for service to the hard-to-serve. The range of funds allocated for serving the hard-to-serve was from 2% to 10% in PY 84.

- In PY 85 nine states (20%) responded that they had not decided about the use of 6% funds.

  - The number of States planning to use a portion of the 6% funds for serving the hard-to-serve declined from twenty-one to fifteen in PY 85.

  - Thirty-five States (76%) anticipate using a portion of the 6% funds for technical assistance in PY 85, a decline from forty-three (93%) who planned to do so in PY 84.

Incentive Policies

- Of the 25 States included in the analysis of incentive policies, the most common type of eligibility criterion for an incentive award is the requirement that a particular number of standards be met or exceeded.

- The most common distribution calculation used by States in determining the amount of the incentive award is to adjust the amount of the potential award by the size of the entity's Title II-A allocation.

- Twelve States (46%) have policies requiring that standards be exceeded before incentive funds could be awarded.

- Four States require that a certain percentage of the Title II-A 78% funds be expended before a SDA could be eligible for an incentive award.

Youth Employment Competencies

- 85% of the States currently have a reporting system for the attainment of youth employment competencies. By the middle of calendar year 1986 all but one State surveyed would have such a system. Two out of three States either use one reporting category or plan to use one--attainment of youth employment competency--for reporting from SDAs, while remaining States use multiple reporting categories.

- Thirty percent of the respondents were not sure where the attainment of a youth employment competency was reported on the JTPA Annual Status Report.

- 60% of the SDAs in the forty-nine States responding to the survey have youth employment competency systems actively serving youth. States reported that an additional 114 SDAs will have operational systems by July 1, 1985, which would bring the percentage to 77%.

- o Pre-employment competencies are still the most common categories of competencies offered, with work maturity a close second.

- o The majority of States that had operational youth employment competencies systems had no additional administrative requirements that must be fulfilled before the attainment of youth employment competencies could be reported by an SDA. The additional criteria used in some States are administrative in nature and do not appear to encroach upon PIC discretion.

- o Of forty-six States responding, only twelve (26%) stated that they adjusted either of the two youth standards in PY 84 for the presence or absence of youth employment competencies at the local level. For PY 85, nineteen States (41%) indicated that they were either planning to adjust for the status of youth employment competencies or were unsure at this time.

Post-Program Follow-up

- o 80% of the States responding will have operational follow-up systems in place by the beginning of PY 86.

  - Twenty-eight states currently have follow-up systems in place and collecting data. Of the States responding, eleven States (22%) have been doing some follow-up since the inception of JTPA or before.

  - 57% of the 28 States that have operational follow-up systems require SDA-level follow-up, with participant follow-up being the most commonly used approach.

- o The size of the JTPA allocation does not appear to be a strong factor in whether States have implemented a follow-up system.

- o The vast majority of States (77%) contact the participant and/or the employer at thirteen weeks after the participant terminates.

- o Over half the States responded that all terminees (not just those placed) were included in the post-program system.

- o 86% of the States follow-up on all age groups within the terminee population (adults, youth, and adult welfare recipients).

INTRODUCTION

The National Governors' Association (NGA) conducted an assessment of the status of performance standards used in the Job Training Partnership Act (JTPA) Title II-A and Title III programs in April and May, 1985. The analysis of the assessment was funded by the National Commission for Employment Policy (NCEP). A questionnaire was mailed to each State, the District of Columbia, and the Territories on April 25, 1985, and follow-up telephone calls were made to States during May to obtain the information.

PURPOSE

The purpose of this assessment is to obtain information on the status of performance standards as JTPA approaches establishment of PY 86 performance standards. PY 86 will be the first opportunity since the inception of the initial standards to make changes in the performance standards system because the Act at 106(d)(4)(A) states that the Secretary may not modify the standards more often than once every two years. Consistent with this statement, the Employment and Training Administration (ETA) issued a notice in the Federal Register on December 4, 1984, indicating that it would not change the numerical values for the national standards for PY 85. Also, because of the interest throughout the employment and training system in establishing post-program performance standards, NGA decided it was important to provide information to policymakers on the current status of performance standards in the States to better inform the direction of any changes for PY 86. Finally, NGA was able to use this opportunity to consolidate requests for information in this area with two other organizations with varying responsibilities related to performance standards. The General Accounting Office (GAO) was particularly interested in the youth employment competency information as part of a more comprehensive study in this area in which they were engaged.

The National Commission for Employment Policy will use the analysis of this status report to assist them in their statutory mandate to advise the Secretary of Labor on the development and implementation of JTPA performance standards. NGA will also use the results of this assessment to guide our technical assistance efforts in the performance standards area and in advising the Department of Labor (DOL) on changes needed in PY 86 performance standards.

BACKGROUND

The Act, at Section 106, directs the Secretary of Labor to establish performance standards to determine whether the basic goals of the program are achieved. The Act suggests certain measures to determine whether the stated goals of increasing employment and earnings and reducing welfare dependency

are being met. The Act gives the Governor the responsibility of varying the standards established by the Secretary based upon "specific economic, geographic, and demographic factors in the State and in service delivery areas within the State, the characteristics of the population to be served, and the type of service to be provided."1/

The Employment and Training Administration issued performance standards for PY 84 on January 31, 1984 in Performance Standards Issuance Number I-PY 84. This directive contained information on the seven measures used to gauge program success, the national numeric standards associated with each measure, parameters within which the Governor could vary the standards, and other related information. The performance measures and the Secretary's national standards for PY 84 were:

Adult

Entered Employment Rate--The number of adults who entered employment at termination as a percentage of adults who terminated: 55%.

Cost per Entered Employment--Total expenditures for adults divided by the number of adults who terminated: $5,704.

Average Wage at Placement--Average wage for all adults who entered employment at the time of termination: $4.91.

Welfare Entered Employment--The number of adult welfare recipients who entered employment at termination as a percentage of the number of adult welfare recipients who terminated: 39%.

Youth

Entered Employment Rate--The number of youth who entered employment at termination as a percentage of the number of youth who terminated: 41%.

Positive Termination Rate--The number of youth who had a positive termination (i.e., at termination, the youth had either entered unsubsidized employment; or had met one of the youth employability enhancement definitions; or had attained youth employment competencies recognized by the PIC) as a percentage of the total youth who terminated: 82%.

Cost per Positive Termination--Total expenditures for youth divided by the number of youth who had a positive termination (see above for definition of positive termination): $4,900.

These same measures and numeric standards were also used for PY 85.

ETA also issued a Technical Assistance Guide (TAG) to performance standards which contained information on how States could use the optional ETA adjustment methodology to adjust for local conditions. This adjustment methodology consisted of adjustments for local factors shown to influence performance and was developed using a statistical technique called multiple regression analysis. This adjustment approach is sometimes referred to as "the model" by practitioners.

RESPONDENTS

Surveys were mailed to all JTPA State Liaisons. Responses were received from forty-eight States and the District of Columbia for a response rate of 86%. Respondents were primarily those managers or technicians responsible for performance standards in each State. In many cases there were multiple respondents since the questionnaire solicited information on a variety of programs. This report is based on these voluntary responses. The number of actual responses may vary for a given question and will be so indicated for each section or question. The survey instrument had four parts:

SECTION I. GENERAL

The questions in this section referred to both planned and actual performance standards activities for PY 84 (7/84-6/85) and PY 85 (7/85-6/86) and deal with the current seven performance standards, adjustments made to these standards (particularly for the four adult standards), and the use of 6% set-aside funds for incentive awards, technical assistance, or incentives for the hard-to-serve.

Section II. Youth Employment Competency and Termination Measures

The questions in this section related to the status of youth employment competency systems within a State, reporting of competency attainment, adjustments made to account for the presence or absence of a youth competency system, and the weights given to youth performance measures in making incentive awards.

Section III. Post-Program Standards

This section was designed to obtain information on both the current status of follow-up systems or plans for such systems, the methods used for follow-up, the information obtained, and whether performance measures and numeric standards have been established using post-program data.

Section IV. Additional Performance Standards

This section focused on whether additional performance standards were established for Title II-A for PY 84 or were planned for PY 85 and whether standards were established for older worker projects (3% projects), State education coordination grants (8% projects), or other target groups. Questions were also included about the establishment of Title III standards for both PY 84 and PY 85.

FINDINGS:

SECTION I. GENERAL

How Local Service Delivery Area (SDA) Standards Were Established

Of the forty-nine respondents to this section, forty-eight responded regarding PY 84 and thirty-nine of those responding (81%) used the ETA regression model in PY 84 to adjust the national performance. For PY 85, forty-nine States responded to this question and forty (82%) responded that they planned to use the ETA adjustment methodology to account for local conditions. Use of the regression model as a starting point to adjust the Secretary's seven standards has remained relatively stable since the transition year (TY 84) and may have increased slightly since not as many States adjusted the national performance standards during PY 84. For information on which specific States use various methods see Table II.

Table I: Summary Of States

Responses	PY 84	PY 85
Used the ETA adjustment methodology	39(81%)	40(82%)
Used some other method	4 (8%)	4 (8%)
Used the national standards only	1 (2%)	2 (4%)
Used a combination of the national standards and ETA adjustment model	4 (8%)	3 (6%)
Total Responding	48	49

Of the States which used a combination of the national standards and the ETA adjustment methodology in PY 84, four used the ETA adjustment model to adjust only the average wage at placement standard.

Table II: How States Establish SDA Performance Standards for the Secretary's Standards

State	Use DOL Model		National Standards Only		Other	
	PY 84	PY 85	PY 84	PY 85	PY 84	PY 85
ALABAMA	x	x				
ALASKA	x	x				
ARIZONA		x	x[1]			
ARKANSAS	x	x				
CALIFORNIA	x	x				
COLORADO					x	x
CONNECTICUT	x	x				
DELAWARE					x	x
FLORIDA	x	x				
GEORGIA	x	x				
HAWAII	x	x				
IDAHO	x	x				
ILLINOIS	x	x				
INDIANA	x	x				
IOWA	x	x				
KANSAS	x	x				
KENTUCKY	x	x				
LOUISIANA			x	x		
MAINE	x	x				
MARYLAND	x	x				
MASSACHUSETTS	x	x				
MICHIGAN	x	x				
MINNESOTA	x	x				
MISSISSIPPI	x	x				
MISSOURI	x	x				
MONTANA			x[1]	x[1]		
NEBRASKA					x[2]	x[2]
NEVADA	x	x				
NEW HAMPSHIRE	x	x				
NEW JERSEY	x	x				
NEW MEXICO		x				
NEW YORK	x	x				
NORTH CAROLINA	x	x				
NORTH DAKOTA					x	x
OHIO	x	x				
OKLAHOMA	x	x				
OREGON			x[1]	x[1]		
PENNSYLVANIA	x	x				
RHODE ISLAND			x[1]	x[1]		
SOUTH CAROLINA	x	x				
SOUTH DAKOTA	x			x		
TENNESSEE	x	x				
TEXAS	x	x				
UTAH	x	x				
VERMONT	x	x				
VIRGINIA	x	x				
WASHINGTON	x	x				
WISCONSIN	x	x				
D.C.	x	x				
TOTALS	39	40	5	5	4	4

1/. Used national standards for all except average wage at placement.
2/. Gave SDAs choice of using the national standards or the model.

Type of Adjustments Made Beyond the National Adjustment Methodology (for Adult Standards)

States that used the DOL adjustment model were also asked about the types of adjustments made (or to be made) beyond the national adjustment model. States adjust for a variety of reasons, as the Act envisioned, but the most common reason given was for extreme values for client characteristics in the model.

Interpretation of the responses must be tempered by some of the additional information provided by States. In many cases, States responded that SDAs must request an adjustment beyond the model, and they had not received such requests. It is not possible to know if any of the ten States that responded that no additional adjustment (beyond the model-predicted number) have been made would have been willing to make such adjustments if they had been requested. Several States that listed specific types of adjustments beyond the national model indicated that their responses reflected State policy on allowable adjustments but that no adjustments were made in PY 84. Generally, States noted that the same adjustments would apply for PY 85.

Of the thirty-nine States that used the model in PY 84, the responses were as follows:

Table III: Reasons for Adjustments

	Number of States
Extreme values for client characteristics	13
Services to groups not in the model	7
Extreme values for unemployment rates (or changes not reflected in the rate)	9
Difference in average wage in the area	8
Lack of training facilities	2
Type of service (OJT, classroom training job search assistance)	2
Other	14
None	10

Note: Multiple responses were encouraged

Of the fourteen States that indicated that they use "other" adjustments than those listed there were a variety of approaches. The types of adjustments included: use of the tolerance range alone; adjustments for State-determined minimum and maximum ranges based on State data to enlarge the tolerance range; a 10% productivity increase to the Entered Employment Rate standard if public transportation was available within an entire SDA; productivity adjustments to all adult standards based on past experience; lowering the cost per entered employment for PY 85 outside the tolerance range

based on actual transition year and PY 84 data; neutralizing the negative effect of "single head of household" in the cost per entered employment standard for PY 84; reducing the model-produced average wage rate by a certain percentage.

There was no clear pattern as to which States actually made adjustments beyond the regression model. Single-State SDAs used adjustments beyond the model as frequently as States with multiple SDAs, perhaps because it gave them a management assessment tool for their local planning areas.

The national performance standards include a productivity improvement factor for all measures except the cost measures. The ETA adjustment model does not include a built-in productivity improvement factor. Only two States indicated that they included some productivity improvement factor.

Recalculation of Performance Standards at the End of the Year

Of the forty-three States that use the national adjustment methodology for at least one measure in PY 84, thirty-seven (86%) recalculated the standards at the end of the year based on actual JTPA Annual Status Report (JASR) data as was envisioned in the use of the model.2/ In PY 85, thirty-nine States (91%) indicated that they would recalculate standards at the end of the year. The questionnaire did not reveal why two States that did not recalculate in PY 84 plan to do so in PY 85. Of those States that do not recalculate the standards, the survey does not reveal if this is because of a misunderstanding of the principles of the modeling approach or due to a deliberate policy decision.

Greatest Strengths and Weaknesses of the DOL Adjustment Methodology

States were asked to give three responses to questions concerning their perceptions of the strengths and weaknesses of the DOL adjustment methodology.

The responses on the strengths of the model ranked as follows with the number of responses to each choice in parenthesis:

It treats all SDAs objectively	(36)
It does not base performance on whether SDAs planned correctly, but rather holds the SDA accountable for whom they serve	(21)
It reflects system differences while providing a standardized system which all States can use to gauge performance	(20)

It provides States with the flexibility to target service to certain groups (such as women, welfare recipients, or dropouts) without penalizing the SDAs for lower performance (16)

It quantifies most local factors which affect performance in my State (12)

It allows SDAs to serve those most in need without being penalized (11)

It is easy to understand and use (4)

Other (4)

The "other" responses included:

- Truly acts as an incentive to perform
- With small staff standards can be adjusted using a sound method approved by the Secretary of Labor
- Allows States to target and award performance on statewide goals which may vary from national goals

We also asked each State about the greatest weaknesses of the DOL adjustment methodology. Responses ranked as follows:

- It is hard to understand and explain to SDAs and PICs (29)
- The national data base upon which the model is based doesn't reflect our State's conditions (21)
- The lack of uniformity in data definitions has resulted in unreliable weights for local factors (19)
- Other (15)
- Not enough local factors are in the model (13)
- It is too complex and time consuming to administer (5)

The "other" responses include:

- o Concern about the validity of the data base (either CETA for the PY 84 model or JTPA for PY 85), and/or the uniformity of data definitions (six responses)

- o The absence of youth employment competencies in the model dictates program mix for youth

- o Weights are too low to act as an incentive to serve certain groups

- o Reversing values of coefficients for same factor within 2-year planning cycle is a problem

- o The model doesn't reflect the rapidity of economic change and has a regional bias

- o The standards are too cost oriented and drive the system towards short-term results

The responses to both these questions confirm the general positive perceptions of the DOL adjustment methodology. The shift away from traditional "planned vs. actual" analysis of performance appears to be accepted, and 36 of the 40 States that use the model to establish SDA standards responded that its ability to be applied objectively to SDAs was a strength. While States are concerned about understanding and explaining this methodology, it is not viewed as being too difficult to actually administer. There is very strong support for the objective approach for establishing local performance standards as evidenced by the 36 responses to this question. The earlier responses about adjustments beyond the DOL model seem to indicate that States are searching for straightforward ways to further refine the establishment of standards and ways to quantify additional adjustment within the limitations of available staff time.

A great cause for concern among the responses is the emphasis on the lack of uniform data definitions (19 responses) and the repeated mention of data problems in the additional responses. As many States pointed out, the model is only as good as the data used to produce it.

<u>Use of 6% Funds for Incentive Awards, Technical Assistance, and Incentives for Serving the Hard-to-Serve.</u>

Section 202 (b)(3)(B) of the Act specifies that 6% of the allotment of each State shall be used by the Governor "to provide incentive grants for programs exceeding their performance standards, including incentives for serving hard-to-serve individuals." The Act further states that incentives must be distributed based on the degree by which the SDA exceeds its

performance standards. Funds not needed for incentive grants are to be used for technical assistance to SDAs not qualifying for incentive awards.3/ This section, then, deals with the use of 6% funds for incentive awards, technical assistance, and incentives for serving the hard-to-serve.

It is always difficult to assign expenditure of 6% funds to a particular program year since States have three years to expend the funds. Incentive awards for performance are necessarily viewed as "retrospective" activities, e.g., it is acceptable to reward PY 84 performance with PY 85 6% funds; and States may always use the current year's incentive funds to reward a prior year's performance. However, this does not have to be the case with all uses of the 6% funds. Incentives to serve the hard-to-serve may be either prospective (through RFPs); contemporaneous; or retrospective (PY 84 funds carried over into PY 85 but used to reward PY 84 performance). Finally, whether technical assistance can be prospective, (preventative technical assistance for all SDAs), or retrospective (only those who have actually failed to meet standards at the end of the year), also varies from State to State. Therefore, much care must be taken in analyzing the responses on the division of 6% funds.

In PY 84 the proportion of funds used for incentive awards ranged from zero to 100%. Nine (20% of the 46 States responding) States planned to use no 6% funds for incentive awards in PY 84. Only two of these were single-State SDAs. Six States (13%) used 100% of the funds for technical assistance. Twenty-one States (46%) used a portion of the 6% funds for service to the hard-to-serve. Eleven States (22% of the 49 States) responded that they would use means other than separate performance standards to provide incentives for serving the hard-to-serve. Such approaches included: Requests-for-Proposals (RFPs) for service to special target groups, challenge grants to SDAs to serve certain groups, requiring SDAs to choose target groups from their eligible population to serve. States did indicate that they would establish performance standards to assure equitable service for specific target groups and include such standards in their incentive awards system in some cases. The range of funds allocated for serving the hard-to-serve was from 2% to 10% in PY 84. Two States, Hawaii and Virginia, used the majority of PY 84 6% funds for the hard-to-serve.

In PY 85 nine States (20%) responded that they had not decided about the use of 6% funds ("don't know" in the table) in PY 85, and one simply did not respond to this question. Two States explicitly stated that 100% of 6% monies would be used for incentive awards. The number of States planning to use a portion of the 6% funds for serving the hard-to-serve declined from twenty-one to fifteen in PY 85. Three States planned to increased the portion of funds used to serve the hard-to-serve; the majority of States planned to keep this figure stable. Thirty-five States (76%) planned to use some of the funds for technical assistance in PY 85, a decline from forty-three (93%) who planned to do so in PY 84. Again, this finding must be interpreted with caution and does not necessarily presume a decline in the technical assistance provided since States have no way of knowing up front how much technical assistance may be needed for SDAs who either fail to meet standards or appear to be in danger of failing to meet standards during the year. The technical assistance figures may best be used as a planning figure, which States may change as circumstances change.

Fifteen States (33% of those responding) expected to keep the same division of 6% funds among the three categories for PY 84 and PY 85. Where changes were anticipated in the division of funds, increases in the percentage reserved for incentive awards occurred in fourteen States. Nine States made no incentive awards for performance during the transition year and used 6% funds for other purposes. Increases in percentage of funds reserved for technical assistance were planned in six cases. Table IV contains the specific responses to this question.

Interpretation of information from this question must be made with great care, particularly in making year-to-year comparisons. Eight States answered that they were not sure ("don't know") of the break down between activities for PY 85 which may be due to a variety of reasons. One State said they were still using transition year funds and were not sure when PY 85 funds would be used. Other States' responses may be uncertain because plans had not been completed for PY 85 at the time of the survey. In fact, States frequently indicated that their PY 85 responses were tentative.

Percentage of funds used for incentive awards generally remained stable or increased between PY 84 and PY 85. This is as expected since PY 85 will be the first year in which States must make incentive awards for exceeding performance standards. During PY 85, States will be making incentive awards based on PY 84 actual performance.

One of the more interesting aspects of this analysis is the behavior of single-State SDAs. Even though no one was required to make incentive awards in PY 84 for transition year performance, many single-State SDAs apparently chose to do so. Some of these single-State SDAs are planning to make awards to substate planning areas or to specific contractors. The single-State SDAs have generally implemented a meaningful performance standards system including their use of 6% funds.

Table IV: Use of 6% Funds (In Percent)

	Performance Incentive Awards		Hard-to-Serve		Technical Assistance	
	PY 84	PY 85	PY 84	PY 85	PY 84	PY 85
ALABAMA	100	100	-	-	-	-
ALASKA	60	60	-	-	40	40
ARIZONA	60	DK	20[1]	DK	40	DK
ARKANSAS			NR			
CALIFORNIA	83.5	85	-	-	16.5	15
COLORADO	80[2]	80[2]	-	-	20	20
CONNECTICUT	70	60	20	20	10	20
DELAWARE	87	67	2	1	11	32
FLORIDA	100	DK	-	DK	-	DK
GEORGIA	DK	DK	30	30	DK	DK
HAWAII	-	DK	67	DK	33	DK
IDAHO	35	30	-	-	65	70
ILLINOIS	-	50	-	-	100	50
INDIANA	-	100	-	-	100	-[3]
IOWA	60-75	60-75	-	-	25-40	25-40
KANSAS	50	50	-	-	50	50
KENTUCKY	40	50	40[4]	30	20	20
LOUISIANA	-	75	-	-	100	25
MAINE	80	20	-	-	20	80
MARYLAND	85	85	-	-	15	15
MASSACHUSETTS	67	41	10	31	23	28
MICHIGAN	65	84	-	-	35	16
MINNESOTA	43	83	12	-	45	17
MISSISSIPPI	51	63.5	7.9	11.2	41.1	25.3
MISSOURI	83	83	-	-	17	17
MONTANA	27	DK	-	-	73	DK
NEBRASKA	35	35	15	15	50	50
NEVADA	45	DK	-	-	55	-
NEW HAMPSHIRE	70	70	20	20	10	10
NEW JERSEY	50	50	15	15	20	20[5]
NEW MEXICO	80	80	-	-	20	20
NEW YORK	42.5	42.5	42.5	42.5	15	15
NORTH CAROLINA	50	DK	-	-	50	DK
NORTH DAKOTA	60	60	20	-	20	40
OHIO	60	60	20	20	20	20
OKLAHOMA	-	DK	-	DK	100	DK
OREGON	60	80	20	-	20	20
PENNSYLVANIA	60	60	10	10	15	15[6]
RHODE ISLAND	70	75	-	-	30	25
SOUTH CAROLINA	67	70	25	25	8	-[7]
SOUTH DAKOTA			No 6% funds expended			
TENNESSEE	90	90	-	-	10	10
TEXAS	-	DK	-	-	100	DK
UTAH			No Set % allocated			
VERMONT	-	7	14	37	75	48[8]
VIRGINIA	-	70	70	-	30	30
WASHINGTON	80	90	-	-	20	10
WISCONSIN	60	60	15	15	25	25
D.C.	-	-	-	-	100	100

1/ % of Incentive award portion of 6%
2/ PY 84 15% of incentive for 3 special population indicators; Py 85 - 25% of incentive for 4 special population indicators
3/ PY 85 - 35% of incentive grants for hard-to-serve
4/ 20% for model programs
5/ Additional 15% for optional retention standard
6/ Additional 15% for economic development initiatives
7/ 5% for state administration
8/ Other funds used for follow-up

Type Of Technical Assistance Activities Provided With 6% Funds

States were asked to indicate multiple uses of the 6% funds in the technical assistance area. Responses to this section must be interpreted with care. The following summary table indicates the incidence of various uses of technical assistance funds throughout the States. It does not, however, shed light on the proportion of 6% resources devoted to any one activity within the State. Thus although six States plan to use 6% funds for MIS development, we do not know the level of investment this represents.

Table V: USE OF TECHNICAL ASSISTANCE FUNDS

	No. of States Responding	
Activity	PY 84	PY 85
Assist SDAs who fail to meet standards at end of year	29(59%)	33(67%)
Assist SDAs likely to fail standards based on current performance (preventative T.A.)	27(55%)	34(69%)
Establish MIS[1/]	23(47%)	6(12%)
Maintain MIS[1/]	17(35%)	15(31%)
Other	16(33%)	13(27%)
Establish follow-up system	11(22%)	10(20%)
N.A	3(6%)	3(6%)

1/"Establish MIS" was intended to mean development and start-up costs of new systems. "Maintain MIS" was intended to mean ongoing costs.

Responses varied considerably from PY 84 to PY 85 particularly in the area of establishing management information systems. While twenty-three States used a portion of the 6% funds for this activity in PY 84, only six States planned to do so in PY 85. This drop in the number of States who use 6% funds to establish management information systems may mean that the majority of States have completed major acquisition of hardware and software.

Fifteen States (31%) indicated that they would use 6% funds for some MIS activity in both PY 84 and PY 85. This may mean a continuance of on-going MIS

projects or the addition of a new MIS component. Fifteen States (31%) indicated that they plan to use 6% funds to maintain their MIS at least at some minimal level in PY 85.

Some States indicated that they will use a portion of the 6% funds to establish follow-up systems. Of the eleven States that indicated this use of funds for PY 84 and/or PY 85, seven already have some type of follow-up system (according to responses in Section III of the survey). Several of the States which have been most active in developing follow-up systems are using a portion of the 6% funds to pay for their systems. Two of the States that indicated they would use 6% funds for follow-up systems have no such system but plan to develop them before the beginning of PY 86 (according to responses in Section III). Two States did not indicate a starting date for follow-up. These responses shed some limited light on how States either are currently paying for follow-up system or plan to do so.

Responses to this question also indicate that half of the States are using technical assistance funds either in the preventative technical assistance mode, e.g. to fund training or other activities designed to improve knowledge and management abilities before problems result in failure to meet performance standards at the end of the year, or to assist SDAs which actually do end up failing to meet standards. The number of States planning preventative technical assistance increased from PY 84 to PY 85 in about the same proportion as the number of States that plan to increase assistance to SDAs who fail to meet standards at the end of the year. Responses on "other" uses of technical assistance funds included: general Statewide training (8 responses), provide labor market information (3), special projects such as an exemplary youth projects (2), peer-to-peer technical assistance (1), formula funding a portion of funds to SDAs for "administrative enhancements" (1), employer outreach and marketing (1).

Incentive Policies

The Act provides at 202(b)(3)(B) that 6% of the funds allocated to a State shall be reserved "to provide incentive grants for programs exceeding performance standards...." States have been in the process of developing policies that define when an administrative entity is eligible for an incentive award and how such awards will be calculated. The Department of Labor has issued no instructions or guidelines in this area except to state that "when the Governor establishes a system for awarding incentives, the system must include the Title II-A standards. While the system may not necessarily require that an SDA exceed all of the standards to be eligible for incentive funds, the Governor may not disregard any of the seven measures in establishing the incentive system".4/ In the absence of DOL policy in this area, States that have established additional performance standards may include them in their incentive system.

Twenty-eight States furnished NGA with a copy of their incentive policies. Two of these States are not included in this analysis since the policies sent were still in draft form. The policies used in the analysis are primarily for PY 84 although States did not always indicate the time period applicable for the information. Incentive policies are very dynamic, and a number of States have made changes to these policies since they were sent to NGA.

The policies are of varying degrees of complexity with most having a number of components which must be included before the amount of an incentive award can be determined. There are no clear patterns to the steps or components of these policies, but they include both eligibility criteria for incentives and distribution calculations. The policies were analyzed for the following types of information:

Number of standards included to be eligible for an incentive award and other eligibility criteria.

Whether standards must be exceeded or met to be eligible for an incentive award.

How incentive awards are calculated including whether the formula was adjusted for the size of the Title II-A allocation.

The analysis is further complicated since many States used combinations of each of these types of criteria. For example, some State formulas include awards based on meeting a number of standards and additional monies for exceeding standards.

Eligibility Criteria.

Number of Standards Included and Other Eligibility Criteria. Of the 26 States included in this portion of the analysis, the most common type of eligibility criteria for an incentive award was the requirement that a particular number of standards be met or exceeded. One important result of including a standard in the eligibility criteria is that, while inclusion alone does not effect the dollar amount of an incentive award, it does give the governor the ability to emphasize some policy initiative.

There were no patterns as to the number of standards that were included in the eligibility criteria for an incentive award. The division among the States was as follows:

Three States (12%) included seven of seven standards in their incentive eligibility criteria.

Nine States (35%) included five of seven standards in their incentive eligibility criteria.

Two States (8%) included four of seven standards in their criteria.

One State (4%) included three of eight standards in their eligibility criteria (including the State's additional post-program standard).

One State (4%) included two of seven standards in their incentive eligibility criteria.

One State (4%) included nine of twelve standards in their criteria (including the State's five additional standards).

One State (4%) requires that a positive average percentage deviation from the seven standards be achieved. An SDA in this State would not qualify for an award if it underachieved more than one standard by more than 20%.

Eight States (31%) do not require a minimum number of standards to be eligible for an incentive award. Rather they treat each standard individually. Each standard may or may not be weighted equally. Some of these States also have additional standards.

Core Standards. Some States required that a core set of standards be met or exceeded to be eligible for an incentive award. These core measures may match the required number of standards which must be met prior to eligibility for an incentive award, or the core standards may be only only a portion of the required number of standards with flexibility to the SDA in determining the additional standards to meet the required number. For example, one State requires that five of seven standards must be exceeded and that three of the five standards (the core standards) must be Adult Entered Employment, Welfare Entered Employment, and any one youth standard. Table VI-A displays which standards are considered core standards which must be met or exceeded. Note that, in addition to specified core measures which must be met or exceeded, States' frequently included a minimum number of standards. Core measures tend to indicate which standards the governor views as primary, but they do not have an effect on the amount of an incentive award received.

Table VI-A:

Core Performance Measures Included in Eligibility Criteria
Note: "X" indicates a core standard

	ADULT			YOUTH			
MEASURES	*EER	WELFARE	COST/EER	AWP	PTR	EER	COST/PTR
STATES							
ALABAMA[1/]	x	x			x	x	
CONNECTICUT[2/]	x	x				x	
INDIANA	x	x		x		x	
IOWA[3/]	x						
MASSACHUSETTS[4/]	x			x			
MINNESOTA[5/]			x				x
MISSISSIPPI	x	x	x				x
OKLAHOMA[6/]	x	x			x		
WEST VIRGINIA	x	x			x		

*Entered Employment Rate (EER)
Welfare Entered Employment (Welfare)
Cost Per Entered Employment(Cost/EER)
Average Wage at Placement (AWP)
Positive Terminate Rate (PTR)
Entered Employment Rate (EER)
Cost per Positive Termination Rate (Cost/PTR)

1/Meet any two of the four
2/Plus two from balance of the standards
3/Plus four from balance of the standards
4/Plus either other adult measure and any one youth measure for 70% of incentive funds. Remaining 30% of incentive funds given if SDA meets additional criteria. Massachusetts has separate incentive awards system for service to welfare recipients.
5/Plus three from balance of the standards
6/Plus two from the balance of the standards

Other Eligibility Criteria. Several States also included other eligibility criteria which must be met before calculating the amount of an incentive award. The Department of Labor has issued no formal directive on eligibility criteria for incentive awards but has stated at meetings that additional administrative standards are not appropriate. States have instead used administrative criteria which must be met before being eligible for an incentive award. The most common used additional eligibility requirement was one involving expenditure of funds. Although the law allows expenditures for three years from the date of appropriation, four States (Arkansas, Oklahoma, Texas, and Wisconsin) required that a certain percentage of the Title II-A 78% funds be expended. Two States, Mississippi and North Dakota, have a separate performance standard on expenditures. In another portion of the summary, Kansas indicated they were considering adding such a standard for PY 85. The percentage expenditure requirement ranged from 70% to 90%, with the State requiring 90% expenditures of the funds specifying that "administration" be excluded from this requirement. In all instances, States were trying to avoid rewarding an SDA which was achieving standards in terms of rates yet serving a small number of clients.

Finally, other eligibility criteria were also mentioned. One State's policy provides that an SDA is not eligible for an award if there is an unresolved audit. Another State requires that (1) enrollment levels for WIN registrants and dropouts must be attained, (2) the grantee must be in substantial compliance with the Act as determined by the State's annual assessment, and (3) the grantee must submit all end-of year reports.

Whether Standards Must be Met or Exceeded. The second type of eligibility issue is whether States require that standards be met or exceeded.[5/] Frequently, State policies indicated that standards must be either "met or exceeded." In this analysis that response was considered to be "met" since that was the minimum requirement. Of the 26 States included in this analysis 12 (46%) had policies requiring that standards be exceeded before incentive funds could be awarded. Twelve States (46%) indicated that standards must only be met before awards were calculated.[6/] Of the States that used "met" as the criteria some had a mixed approach. One State indicated that SDAs must meet all and exceed five standards before distributing funds. One State's policy was that seven standards must be met and four standards exceeded.

One State used a point system to calculate amount of funds and this system allowed variation from each standard ranging from one point for up to -15% deviation from the standard to five points for +10% points variance. Policies in one State could not be determined.

What Constitutes Meeting a Standard. Analysis of how meeting a standard is defined was not very fruitful since this area was frequently not discussed in the policy issuances. Many States use the DOL adjustment model which produces a point measure for each standard. However, the DOL procedures also allow the use of a tolerance range adjustment within which States and SDAs do not have to document any further adjustment to the standard. This means that some States have chosen to use the range itself as the standard, e.g., actual

performance within the range may qualify the SDA for an incentive award. Other States have elected to allow adjustments within the tolerance range but to still determine an actual point of measurement within the range which is used for the standard. However, this becomes more complicated when viewed in conjunction with other aspects of the incentive policies. For example, it would be difficult to use the range approach if total positive variation (negative for the two cost standards) is used to calculate the total amount of an incentive award.

Review of State policies indicates that only four States (15%) explicitly indicated that the standards would be a range--either the DOL tolerance range or a State determined range. One of these States used the standard deviation among all the SDAs for each measure to define acceptable performance for each measure.

Distribution of Incentive Funds.

Adjustment for the Size of the Title II-A Allocation. The most common distribution calculation used by States in determining the amount of the incentive award is to adjust the amount of the potential award by the size of the entity's Title II-A allocation.

Of the 26 States' policies analyzed, twelve States (50% of those responding) indicated that the amount of the incentive award is adjusted based on the grantees Title II-A allocation. Eight States (31%) indicated that no such adjustment is made. Six States (19%) have mixed approaches: one State adjusts three standards (the two entered employment standards and the adult cost standard) based on the 78% allocation; one State adjusts the available pool of money so that 60% of the incentive funds are based on the Title II-A formula and 40% of the funds are a fixed amount obtained by dividing the pool by the total number of SDAs in the State; one State adjusts 75% of the incentive award based on the Title II-A formula and 25% of the award is based on share units based on other criteria; one State uses 70% of the 6% incentive allocation adjusted for Title II-A allocation based on the State's weighted formula for each standard and 30% for number of additional standards met; one State awards a fixed amount for each standard exceeded and an adjusted amount (bonus award) for percent exceeded to a maximum bonus of 20% of the SDA's 78% grant; one State adjusts one-half of the incentive funds by the II-A allocation, and one-half is awarded to top five SDAs.

Calculation of Actual Incentive Amount. To calculate the amount of the incentive award for each SDA, one issue is whether the distribution of incentive funds is based on total positive variance for all standards (negative variance for both costs measures) or whether each standard is treated separately. A summary of distribution formulas for 25 States is as follows:

- Five States (40%) use total positive variance (negative variance for cost measures) to calculate the amount of the incentive award.

- Eleven States (44%) treat each standard separately either by weighting each standard a given amount thereby increasing or decreasing its value in the award system or by awarding the entire pool of money for that standard for exceeding each standard.

- Nine States (36%) use other approaches. Some States distribute a fixed amount once the SDA is deemed eligible and a formula amount based on other criteria normally the extent to which standards are exceeded. In other States, the amount of the award is determined based on different degrees of variance within ranges of performance.

Some States divided the available incentive funds into separate pools of funds. This was accomplished either by dividing the funds into seven equal pools (one for each standard) or into seven pools based on the weight given to each standard. Using total variance to allocate incentive monies tends to put more emphasis on national policy goals than the latter method, which emphasizes State policy goals. The approach of using the total variance to calculate the amount of the incentive awards gives the most weight to positive achievement on the least number of standards since an SDA could exceed most standards to a small degree and one or two standards to a large degree and still receive a large award.

Those States which award a portion of incentive funds for ranges of performance have in effect capped the amount of the award. For example, an SDA can only get "X"% for exceeding the standard by 10% or more. There are also some variations on these alternatives. One State gives a base amount if two of their four core standards are met or exceeded and additional fixed amounts for each additional standard met or exceeded.

Table VI-B indicates which standards have different weights in calculating the amount of the incentive award. The effect of weighting some standards more then others gives these standards added value in calculating the amount of the incentive award. Weighted standards may show both policy priorities and effect the amount of the incentive award.

States that weighted standards individually did not always treat each standard separately in awarding incentive funds. Kansas, for example, weighted each standard to calculate eligibility but distributed funds by (1) awarding a minimum grant for each eligible SDA and (2) awarding the remainder of the award on the percentage of standards which were exceeded.

In addition to the States in Table VI-B, which weighted individual standards separately, there were other variations on how to distribute funds. One State divided the incentive pool first into an adult and youth allocations with 60% of the funds for adult standards and 40% of the funds for youth standards. Each standard within this framework was then treated equally.

Table VI-B: Weights Assigned to Individual Standards

	ADULT			YOUTH			
MEASURES	*EER	WELFARE	COST/EER	AWP	PTR	EER	COST/PTR
STATES							
KANSAS[1]	6%	6%	6%	10%	6%	6%	6%
KENTUCKY	20%	10%	20%	10%[2]	10%	20%	10%
MARYLAND	20%	25%	25%	10%	5%	5%	10%
MISSOURI	20%	15%	15%	15%	15%	10%	10%
NEW HAMPSHIRE	25%	25%	7%	25%	1%	15%	2%
NEW JERSEY	20%	25%	20%	10%	5%	10%	10%
TEXAS[3]	20%	10%	20%	20%	5%	20%	5%

*Entered Employment Rate (EER)
Welfare Entered Employment (Welfare)
Cost Per Entered Employment(Cost/EER)
Average Wage at Placement (AWP)
Positive Terminate Rate (PTR)
Entered Employment Rate (EER)
Cost per Positive Termination Rate (Cost/PTR)

1/State has five additional standards which make up the remaining weights. These weights are used for determining whether SDA was eligible for an incentive award not for calculating the amount of the incentive award.
2/Meeting five of seven standards is treated as a 10% share of the incentive funds and PTR is included as the of the five.
3/SDAs receive some portion of incentive funds for exceeding the following standards: Adult EER, Adult Cost Standard, and AWP plus one of the remaining. Texas has four funding tiers based on extent to which SDAs exceed each performance standard.

Four States determine distribution by accumulating points for either the degree of variance or simple positive variance and then award incentive funds to the top SDAs (the number varies depending upon the number of SDAs in the States). Note that some SDAs, which exceed all individual standards, may not receive any incentive award.

Policies for Failure to Meet Performance Standards

The Act requires that if a program fails to meet performance standards for two years, "the Governor shall impose a reorganization plan." However before such action is taken the governor must "provide technical assistance to programs which do not meet performance criteria."7/ The Department of Labor has issued no instructions in writing to States on formulating sanction policies on failure to meet performance standards (commonly referred to as "sanctions" policies but here used to refer only to performance standards sanctions); however DOL has stated that States can not sanction SDAs on other than the Secretary's seven standards.8/

At the time of this survey only two States had plans in place. These approaches were quite different. One State, Nevada, concentrated on defining "failure". In this case the degree of failure was the key to the imposition of a sanction. The policy was stated as follows:

1. Failure to meet adult entered employment rate, youth positive termination rate, and welfare entered employment rate performance standards by 7%.

2. Failure to meet any two of the above by 10%.

3. Failure to meet any one of the above by 15% plus any one of the remaining six standards.

This policy did not specify action to be taken for such failure.

The other State, Texas, focused on corrective action to be taken for failure to meet any given standard. It is characterized by its strong emphasis on corrective action which is recommended after failure to meet any one standard for one year and required after failure for two consecutive years. The performance standards/corrective action system operates on an ongoing annual basis rather than the two years of the planning cycle. The plan offers examples of the types of corrective action which might be taken but does not tie corrective action to the degree of failure although the plan does recognize that corrective action will vary by the degree of failure.

The two policies in place show the difficulty of trying to develop a comprehensive approach to imposing sanctions. In neither of these States is there a direct link to incentive and sanction policies. In Nevada, SDAs must meet all seven standards to be eligible for an incentive award, but failure to meet one standard by a small amount does not mean that sanctions will be

imposed. In other words there is a gray area where neither an incentive award would be made nor any sanction required. It may be that this area also qualifies an SDA for technical assistance but that is not indicated in the policy. Texas treats incentives and sanctions as completely separate policy matters. An SDA can receive an incentive award at the same time they also fall under corrective action.

SECTION II: YOUTH EMPLOYMENT COMPETENCIES AND TERMINATION MEASURES

The questions in this section deal with the status of youth employment competencies at the SDA level and State policies and practices in developing competency systems and adjusting the current youth performance measures.

At Section 106(b)(2) the Act specifies that the Secretary "shall designate factors for evaluating the performance of youth programs which, in addition to appropriate utilization of the factors described for adults shall include the attainment of recognized employment competencies recognized by the private industry council...." The Department of Labor indirectly included the attainment of employment competencies for youth in the definition of two of the national performance measures--positive termination rate and cost per positive termination. However, DOL did not include a reporting item for the attainment of employment competencies for youth on the JASR. The decision on how to incorporate the attainment of youth employment competencies (or the lack of such systems at the local level) was left up to the Governor.9/

The NGA survey indicates that 60% of the SDAs in the forty-nine States responding to this part of the survey have youth employment competency systems actively serving youth. States reported that an additional 114 SDAs will have operational systems by July 1, 1985, which would bring the percentage to 77% of the 579 SDAs in responding States.

Status of Youth Employment Competencies Systems

Table VII indicates the number of SDAs in a State who have "developed youth employment competency systems" or the number of SDAs who plan to have such systems by July 1, 1985. "Developed youth employment competency systems" was defined as one which has been approved by the PIC and is actively serving youth within the competencies approach. The responses to the question about the number of SDAs with operational youth employment competency systems does not correspond exactly with other recent surveys on this subject. The National Alliance of Business (NAB) and the National Association of Private Industry Councils (NAPIC) did an informal telephone survey of States in April on this issue and obtained somewhat different results. The portion of the GAO survey on the developmental status of youth employment competencies showed a higher total number of SDAs with competency systems in place. However, the GAO survey questions were asked directly of SDAs whereas the NGA questions were directed to the States, which may not have the most current information about local systems.

Table VII:
STATUS OF YOUTH EMPLOYMENT COMPETENCIES

	No. SDAs with Competency Systems	Total SDAs	Estimated Additional Competency Systems by 7/1/85	Reporting Required	No. of Reporting Categories
ALABAMA	3	3	-	Y	1
ALASKA	3	3	-	Y	1
ARIZONA	9	11	-	Y	1
ARKANSAS	5	9	-2	Y	1
CALIFORNIA	18	50	27	Y	1
COLORADO	7	10	-	Y	multiple(?)
CONNECTICUT	5	9	4	Y	1
DELAWARE	0	1	-	Y(PY85)	1
FLORIDA	19	24	2	Y	multiple(9)
GEORGIA	8	16	3	Y	1
HAWAII	1	4	-	Y	1
IDAHO	0	6	-	-	-
ILLINOIS	24	26	-	Y	1
INDIANA	10	17	6	Y	1*
IOWA	1	16	6	Y	1
KANSAS	5	5	-	Y	1
KENTUCKY	6	9	-	Y(PY85)	1
LOUISIANA	17	17	-	Y	1
MAINE	2	2	-	Y	1
MARYLAND	8	10	2	Y	1*
MASSACHUSETTS	5	15	-	Y	1
MICHIGAN	17	26	9	Y	1
MINNESOTA	11	12	-	Y	1
MISSISSIPPI	3	3	-	Y	multiple(8)
MISSOURI	10	15	5	Y(PY85)	multiple(9)
MONTANA	2	2	-	Y	multiple(3)
NEBRASKA	2	3	-	y	1
NEVADA	2	2	-	Y	1
NEW HAMPSHIRE	1	2	-	Y	1
NEW JERSEY	16	19	2	Y	1
NEW MEXICO	2	2	-	Y(PY85)	1
NEW YORK	11	34	22	Y	1
NORTH CAROLINA	1	12	2	Y	1
NORTH DAKOTA	1	1	-	Y	1
OHIO	12	30	-	Y	multiple(9)
OKLAHOMA	8	12	-	Y	1
OREGON	7	7	-	Y(PY85)	1
PENNSYLVANIA	23	27	2	Y	1
RHODE ISLAND	2	3	1	Y	1
SOUTH CAROLINA	1	1	-	Y	1
SOUTH DAKOTA	1	1	-	Y	multiple(3)
TENNESSEE	14	14	-	Y	1
TEXAS	10	34	5	Y	multiple(9)
UTAH	6	9	3	Y	multiple(9)
VERMONT	1	1	-	Y	multiple(4)
VIRGINIA	3	14	11	Y	multiple(3)
WASHINGTON	10	12	-	Y(PY85)	undecided
WISCONSIN	14	17	-	Y	multiple(4)
D.C.	0	1	-	undecided	undecided
TOTALS	347	579	114		

*More planned in PY85

SDAs Development of Youth Employment Competencies Categories.

In the forty-three States responding to this question, 98% of the total SDAs were represented. Of these SDAs represented by their States, the survey revealed that pre-employment competencies are still the most common categories of competencies offered with work maturity a close second. In some cases the two categories are combined by SDAs, but this assessment considered them as separate categories. The breakouts by category of youth employment competencies are as follows:

- Pre-employment--281 SDAs (57%),
- Work Maturity--267 SDAs (54%),
- Basic Education--182 SDAs (37%),
- Specific Occupational Competencies--153 (31%).

Fourteen States indicated that at least one SDA in the State had competencies systems in place for all types of competencies.

Six States could not provide information broken down by the four types of competencies: pre-employment, work maturity, basic education, and specific national competencies. This reflects the fact that there is no requirement for such a breakout and since most States do not collect data by specific type of competency attained.

States noted that slightly less than 1/3 of the SDAs had occupational specific competencies. Twenty-eight States would have one SDA with a youth employment competency system offering occupational competencies.

State Level Youth Competency Reporting.

There is no national requirement for reporting the attainment of youth employment competencies to either the Federal or State level, but States have begun collecting data in this area on their own. Of the forty-eight States (including those with planned reporting for PY 85) responding to the question on number of reporting categories for the attainment of youth employment competencies, most States currently have a reporting system that reports the attainment of youth employment competencies. Most States use one reporting category.10/ The following specific information was reported by States.

41 States (85%) currently have a reporting system that reports the attainment of youth employment competencies from their SDAs.

6 additional States (13%) plan to institute such reporting in PY 85 which would bring the total to 98% by the middle of calendar year 1986.

1 single-State SDA was not sure about reporting.

The majority of the forty-eight responding States use one reporting category, "attainment of youth employment competencies":

- Thirty-four States (71%) either use or plan to use one category, "attained youth employment competency," for reporting from the SDAs. Two of these States plan to use multiple reporting categories in PY 85.

- Twelve States (25%) plan to use multiple reporting categories (see table for details).

- Two States (4%) were undecided about reporting categories (undecided on the table).

See Table VII for specific responses.

Categories Required Prior to Certification of the Attainment of Youth Employment Competencies by the State.

Of the thirty-four States that use one reporting item, "attained youth employment competencies," only four States (12%) indicated that all areas of employment competency in which a youth was identified as deficient at time of assessment must be attained before the attainment of youth employment competency could be reported.11/ These States were Illinois, Nevada, North Dakota, and Rhode Island. One additional State noted that this decision varied from SDA to SDA, and there was no State policy on this matter.

Reporting of Youth Employment Competency on the JTPA Annual Status Report

The JASR currently does not have a discrete reporting item for the attainment of youth employment competencies. Rather it is reported as part of "all other terminations," Item I.B.3.

Of forty-three States that responded to the question of reporting the attainment of youth employment competencies to the Federal level, 30% of the respondents were not sure where this data element was reported on the JASR.

7 States (16%) indicated that attainment of youth employment competencies is reported in item I.B.2, Youth Employability Enhancement

30 States (70%) indicated that attainment of youth employment competencies is reported in item I.B.3, All Other Terminations

3 States (7%) stated that it is not reported on the JASR

3 States (7%) reported a separate reporting category apparently on their own State version of the JASR

The inconsistency in responses raises some concern about the validity of current JASR reporting and highlights the need for a separate data time to report youth employment competency attainment.

Administrative Requirements for Reporting the Attainment of Youth Employment Competencies to the State.

Forty-six States responded to this portion of the questionnaire. The assessment wanted to determine whether States had assigned any additional administrative criteria which must be met by the SDA before the attainment of a youth employment competency can be reported to the State.

The criteria established by States do not appear to restrict local discretion envisioned under the legislation.

- Twenty-four States (52%) which had operational youth employment competencies systems had no such administrative requirements.

- Twenty-two States (48%) did have some administrative requirements.

Table VIII indicates the administrative criteria which SDAs must meet before the attainment of youth employment competency can be reported to the States.

- Sixteen States (72% of those with additional requirements) noted that the competency must be certified in writing.

- Nineteen States (86% of those with additional criteria) said the competency must be measurable.

- Fourteen States (64% of those with additional criteria) stated that the competency must be attained through participation in JTPA.

- Fourteen States (64% of those with additional criteria) had "other" criteria.

Responses in the "other" category most commonly included a requirement for pre-and post-testing or some type of assessment of deficiencies (eight States). Additional responses included: competencies must be employment-

related, documentation required, must have a program design statement, competency must be in one of the four basic areas, and a policy on content and procedures.

It is important to note that all of the criteria are "process" oriented and do not appear to encroach upon PIC discretion about the selection of recognized competencies appropriate for the local labor market.

TABLE VIII: ADDITIONAL ADMINISTRATIVE REQUIREMENTS FOR YOUTH EMPLOYMENT COMPETENCIES

	COMPETENCY CERTIFIED IN WRITING	COMPETENCY IS MEASURABLE	JTPA PARTICIPATION REQUIRED	OTHER
ARIZONA	X	X	X	X
CALIFORNIA	X	X		X
FLORIDA	X	X	X	X
INDIANA		X	X	X
IOWA	X	X	X	X
LOUISIANA	X	X	X	
MARYLAND	X	X		X
MASSACHUSETTS	X	X		X
MICHIGAN		X	X	
MINNESOTA	X	X		
MISSISSIPPI	X	X	X	
MONTANA				X
NEBRASKA			X	
NEVADA	X	X	X	X
NEW HAMPSHIRE	X	X	X	
NEW JERSEY	X	X	X	X
NEW YORK	X	X	X	X
NORTH CAROLINA		X	X	
NORTH DAKOTA	X	X		X
SOUTH CAROLINA				X
TEXAS	X	X		X
UTAH	X	X	X	
TOTALS	16	19	14	14

Review and Approval of the Youth Employment Competency System

The role of the State in the youth employment competency system has been confined to two major areas:

- Providing technical assistance in developing youth employment competencies, and
- Determining the effect of youth employment competencies on performance standards

To accomplish these responsibilities (primarily the latter one), States have recognized the need for reporting attainment of youth employment competencies as noted earlier. To ensure a meaningful employment competency approach, some States have developed additional criteria before this program outcome can be reported to the State. Under the statute, States do not have "approval" authority for each specific competency developed in an SDA; only the PIC does. This survey indicates that States understand their role.

Some States have required SDAs to describe their competencies in the Job Training Plan (JTP). Table IX indicates the different States' approach to the review and/or approval process. Thirty-four States answered this question about the role of the State in reviewing and/or approving youth employment competencies systems established by the PICs.

Fifteen States (44%) indicated that they reviewed and approved youth employment competencies systems. Fourteen States (41%) reviewed competencies only. Five States (15%) do not review and approve any part of the implementation of youth employment competencies by local programs.

Some States that indicated they did not have specific criteria for employment competency systems stated that they do in fact "review and approve" SDAs' youth employment competency systems. It is unclear whether this is an informal review as part of the review of the Job Training Plan (JTP) or a more explicit approval process. Since the statute in Section 106 (b)(2) clearly lays out the conditions for rejection of the JTP and this does not include the disapproval of the JTP due to the absence of a youth employment competency system, the "approval" may be of a general review nature.

Adjustments of Youth Positive Termination and Cost Per Positive Termination to Account for the Presence or Absence of a Youth Employment Competency System

Of forty-six States responding to this question, only twelve (26%) stated that they adjusted either of these two standards for the presence or absence of youth employment competencies at the local level in PY 84. It may be that only those States that made adjustments at the beginning of PY 84 for planning purposes responded positively to this question and that others will do so as final end-of-year standards based on actual performance are calculated. One State, Georgia, has developed a methodology to make such an adjustment based on the type of youth programs actually in place.

Table IX:
State Role in Employment Competency System

	Review and Approve	Review Only	Do Not Review and Approve
ALASKA	X		
ARIZONA		X	
CALIFORNIA		X	
CONNECTICUT		X	
FLORIDA		X	
GEORGIA	X		
ILLINOIS			X
INDIANA		X	
IOWA			X
KANSAS	X		
LOUISIANA	X		
MARYLAND		X	
MASSACHUSETTS	X		
MICHIGAN			X
MINNESOTA	X		
MISSISSIPPI	X		
MISSOURI		X	
MONTANA	X		
NEBRASKA		X	
NEVADA		X	
NEW HAMPSHIRE			X
NEW JERSEY	X		
NEW MEXICO	X		
NEW YORK		X	
NORTH CAROLINA	X		
NORTH DAKOTA	X		
OHIO		X	
OKLAHOMA			X
PENNSYLVANIA		X	
TEXAS		X	
UTAH	X		
VIRGINIA		X	
WASHINGTON	X		
WISCONSIN	X*		
TOTALS	15	14	5

*To be established

For PY 84 both the national standards for positive termination rate and cost per positive termination and the DOL adjustment model for these standards were developed from CETA data since no JTPA data were available. This meant that youth employment competencies could not be included in the data base used to calculate these standards. Instead, DOL used CETA Title IV data on "completed program objective" to substitute for attainment of youth employment competencies as a reportable program outcome. Governors (States) were given the responsibility to adjust the two affected youth performance standards to account for whether youth employment competency systems were actually in place and serving youth.

This was envisioned to give States the latitude to adjust the positive termination rate and the cost per positive termination in various ways depending on the status of competency systems in the SDAs. For example, the model would predict too high a positive termination rate if an SDA had no competency systems in place and only reported placement and other outcomes. SDAs with significant non-employment related youth programs would also be unable to meet the positive termination rate (PTR). On the other hand, SDAs who had youth employment competency systems actively operating and terminating youth would presumably be able to achieve a higher positive termination rate. In both instances, States might need to adjust the youth performance standards.

The intention at the national level was for States to adjust the PTR downward if competency systems were not "sufficiently developed"12/ or if SDAs chose to operate primarily employment directed programs. During the transition year non-employment program activities accounted for only 8% of all youth terminations.

For PY 85, nineteen States (41%) indicated that they were either planning to make such an adjustment or were unsure at this time. The problem with the model and the national standards for these two youth measures continues in PY 85 despite the fact that the DOL adjustment model used actual JTPA transition year data. This is because the attainment of youth employment competencies is not a Federal reporting item on the JASR and therefore not a part of the data used to calculate the adjustment model.13/ The national numeric standards did not change for PY 85.

During the transition year the nation as a whole exceeded the national youth entered employment rate of 41% by 14 percentage points. However, the nation failed to meet the national standard for positive termination rate of 82% by 19 percentage points presumably because attainment of youth employment competencies (if any, due to the start-up of the competency approach) was included in other negative outcomes on the JASR.

Weighting of Youth Standards in Making Incentive Awards

Our assessment shows that most States did not attempt to weight youth positive termination and youth cost per positive termination standards differently than other standards. Seventeen States (52%) of thirty-three States responding gave all seven standards equal weight. Only a few States weighted the positive termination rate and cost per positive termination

standards significantly less than the entered-employment-rate for youth.[14/] This may have been because entered employment was viewed as the primary goal in these States rather than due to an attempt to lessen the impact of newly emerging youth employment competency systems.

This issue is closely tied to whether States adjusted (or planned to adjust) the positive termination rate standard and the cost per positive termination standard. Since States could give different policy emphasis to certain outcomes by weighting individual standards differently, one option to minimize the effect of the two standards influenced by the lack of youth employment competency data was to weight these two standards less than the entered employment rate.

SECTION III: POST-PROGRAM FOLLOW-UP

This section was included in our assessment because of the emphasis given to post-program performance standards under the legislation.

Legislative Background

Section 106(a)(1) of the Job Training Partnership Act (JTPA) states that:

(1) it is essential that criteria for measuring the return on investment be developed; and

(2) the basic return on the investment is to be measured by the increased employment and earnings of participants and the reduction in welfare dependency.

The Act suggests appropriate performance measures such as retention in unsubsidized employment and the increase in earnings and reduction in the number of individuals and families receiving cash assistance welfare payments. Further, in Section 106(b)(3)(A and B), the Secretary of Labor is directed in establishing performance standards to select "the base period prior to program participation that will be used" and "a representative time period after termination from the program that is a reasonable indicator of post-program earnings...." This clear legislative mandate indicates the importance of post-program measures in assessing the success of JTPA. Post-program measurements of the effect of the program on participants have long been accepted as valuable information for all levels of program managers in employment and training programs.

In general, this assessment shows that States and local program operators have established post-program management systems that include follow-up information.

Status of Follow-up Systems

Thirty-nine States (80%) will have operational follow-up systems in place by the beginning of PY 86 according to responses to this questionnaire. See Table X for specific responses. In addition, the assessment of the status of JTPA post-program follow-up revealed that:

- Twenty-eight States (57% of those responding) have follow-up systems in place and are collecting data. Eleven States (22%) have been doing some follow-up since the inception of JTPA or before.

- Eleven additional States (22%) plan to have such systems by the beginning of PY 86 (July 1, 1986). See Table X or XI for specific responses.

- Seven States (14%) indicated that they had no plans for a follow-up system.

- Three States (6%) indicated they would wait for further information from the Department of Labor about whether a follow-up system would be required before taking any action.

States were asked whether they performed follow-up at the State level or required the SDA to do so. This assessment does not include any information about the SDAs who have their own post-program follow-up systems. The assessment, then, cannot express the full extent of follow-up activity in place throughout the JTPA program.

Principal Means of Post-Program Data Collection

The most common type of follow-up appears to be that required by States to be undertaken at the SDA level. See Table XI and XII for specific responses.

- Sixteen States (57% of those States which have operational follow-up systems) require SDA-level follow-up.

- Participant follow-up was the most common method of follow-up required at the local level although eleven States indicated that employer contact was also used15/ (See Table XII). Responses did not indicate whether SDAs are required to do both employer and participant contact or whether they have the option of doing either.

- Five States (18%) indicated that the SDA could choose its own methodology.

- Further, it appears that seventeen States require some type of local follow-up without specifying who must be contacted.

- Only two States (7%) use unemployment insurance records as their sole means of follow-up.

The size of the JTPA allocation does not appear to be a strong factor in whether States have implemented a follow-up system. Thirteen of the twenty-five States with the largest allocations have implemented some type of follow-up. On the other hand, nine of the sixteen States with an allocation of less than $10 million have operational follow-up systems of some type. Six of these States are single-State SDAs.

Regarding the accessing of AFDC records, some States indicated that they plan to access such records, but the survey does not indicate how many actually have implemented such approaches. Nonetheless, fifteen States (31%) indicated that they are either currently collecting AFDC data or plan to collect information from AFDC records either by a statewide sample of AFDC records or by using an SDA-specific approach. In addition, three States require their SDAs to access local welfare records (See Table XII for further information).

TABLE X: Status of Follow-up

	Operational Follow-up Systems	Planned Systems	No Current Plans for follow-up	Waiting for DOL Guidance
ALABAMA	X			
ALASKA	X			
ARIZONA			X	
ARKANSAS		X(7/85)		
CALIFORNIA		X(7/86)		
COLORADO			x	
CONNECTICUT			x	
DELAWARE	X			
FLORIDA	X			
GEORGIA	X			
HAWAII	X			
IDAHO			X1/	
ILLINOIS				X
INDIANA			X	
IOWA	X			
KANSAS	X			
KENTUCKY				X
LOUISIANA	X			
MAINE	2/			
MARYLAND	X			
MASSACHUSETTS	X			
MICHIGAN	X			
MINNESOTA			X	
MISSISSIPPI	X			
MISSOURI	X			

TABLE X: Status of Follow-up (Cont'd)

	Operational Follow-up Systems	Planned Systems	No Current Plans for follow-up	Waiting for DOL Guidance
MONTANA	X			
NEBRASKA	X			
NEVADA		X(7/85)		
NEW HAMPSHIRE		X(10/85)		
NEW JERSEY		X(7/85)3/		
NEW MEXICO			X	
NEW YORK		X(PY85)		
NORTH CAROLINA		X(10/85)		
NORTH DAKOTA		X(7/85)		
OHIO		X(1/86)		
OKLAHOMA	X			
OREGON	X			
PENNSYLVANIA	X			
RHODE ISLAND	X			
SOUTH CAROLINA	X			
SOUTH DAKOTA	X			
TENNESSEE	X			
TEXAS	X			
UTAH	X			
VERMONT	X			
VIRGINIA		X(7/85)		
WASHINGTON	X			
WISCONSIN				X
D.C.		X(10/85)		
TOTALS	28	11	7	3

1/ Had a follow-up system during transition year
2/ Not required, one SDA does
3/ Currently voluntary

TABLE II:
TITLE IIA FOLLOW-UP SYSTEMS

	ADMINISTERED BY	DATE BEGUN	DATA COLLECTION METHOD	LENGTH OF TIME (in weeks)
ALABAMA	STATE	10/83	Participant	13
ALASKA	SDA	2/85	Participant/Employer	13
ARKANSAS		(7/85)		
CALIFORNIA		(7/86)		
DELAWARE*	State	9/84	Participant+UI	Other
FLORIDA	State/SDA	?/84	Participant/Employer/UI	30 days (12 mo. UI)
GEORGIA	State	3/85	Participant	13
HAWAII	SDA	10/83	Participant	13
IOWA	SDA	10/83	Participant	26
KANSAS	State/SDA	10/83	Participant/Employer/UI	13 (6-12 mo.UI)
LOUISIANA	SDA	10/83	Participant	13
MAINE	**		Participant	(90 days)
MARYLAND	State	8/84	Participant & UI	Other
MASSACHUSETTS	State	2/84	Participant	13 & 52
MICHIGAN	SDA	3/85	Participant/Employer	13
MISSISSIPPI	State	7/84	Participant & Employer	13
MISSOURI	State	5/85	UI	?
MONTANA	SDA	7/84	Participant	13
NEBRASKA	SDA	10/83	Participant	13
NEVADA		(7/85)		
NEW HAMPSHIRE		(10/85)		
NEW JERSEY		(7/85) ***		
NEW YORK		(FY85)		
NORTH CAROLINA		(10/85)		
NORTH DAKOTA *		(7/85)		
OHIO		(1/86)		
OKLAHOMA	SDA	7/84	Participant	13
OREGON	State/SDA	1/84	Participant/Employer/UI	30 days (Qtrly UI)
PENNSYLVANIA	SDA	10/83	Participant/Employer	13
RHODE ISLAND	State	10/83	Participant	Other
SOUTH CAROLINA *	State	1980	UI	Quarterly
SOUTH DAKOTA *	State	1/84	Participant	13
TENNESSEE	SDA	10/82	Participant/Employer	13 and 26
TEXAS	State/SDA	11/84	Participant	13 and 26
UTAH	State/SDA	10/83	Participant/Employer	13 and 52
VERMONT *	State	5/85	Participant/Employer	13
VIRGINIA		(7/85)		
WASHINGTON	SDA	9/84	Participant/Employer	13
DC *		(10/85)		

* Single State SDA
** Largest SDA does 90-day participant contact
*** Currently voluntary SDA follow-up. Part of incentive system

TABLE III METHOD OF FOLLOW-UP

STATE

	Statewide Participant	SDA-specific Participant	Statewide Employer	SDA-specific Employer	Statewide Sample of UI Records	SDA-specific UI wage records	Statewide Sample of AFDC	SDA-specific AFDC
ALABAMA	x							
ALASKA								
ARKANSAS 1/					x			
CALIFORNIA 1/		x		x	x			x
DELAWARE	x				x			
FLORIDA						x		x
GEORGIA		x						
HAWAII								
IOWA								
KANSAS				x	x		x	
LOUISIANA								
MAINE 1/						x		
MARYLAND		x				x		x 1/
MASSACHUSETTS		x						
MICHIGAN		x		x(optional)				
MISSISSIPPI	x		x					x
MISSOURI						x		x 1/
MONTANA								
NEBRASKA								
NEVADA 1/		x		x		x		x
NEW HAMPSHIRE 1/		x						x
NEW JERSEY 1/								
NEW YORK 1/	tax records							
NORTH CAROLINA 1/	x	x			x	x	x	x
NORTH DAKOTA 1/	x				x		x	
OHIO 1/			x					
OKLAHOMA								
OREGON						x		x
PENNSYLVANIA								
RHODE ISLAND	x							
SOUTH CAROLINA						x		
SOUTH DAKOTA	x							
TENNESSEE								
TEXAS		x						
UTAH	x	x	x	x				x
VERMONT	x		x					x
VIRGINIA 1/		x		x				
WASHINGTON							x	
DISTRICT OF COLUMBIA 1/	x							
TOTAL	10	11	4	4	4	8	4	11

1/Planned Systems

TABLE XII: METHOD OF FOLLOW-UP (CONT'D)

SDA

	Participant Contract	Employer Contract	Local Welfare Records	SDA can Choose Methodology
ALABAMA				
ALASKA				x
ARKANSAS 1/				
CALIFORNIA 1/	x	x		
DELAWARE				
FLORIDA				x
GEORGIA				
HAWAII	x		x	
IOWA	x			
KANSAS	x	x	x	
LOUISIANA	x			
MAINE	x (Voluntary)			
MARYLAND				
MASSACHUSETTS				
MICHIGAN	x	x (Optional)		
MISSISSIPPI				
MISSOURI				
MONTANA	x			
NEBRASKA	x			
NEVADA 1/	x	x		
NEW HAMPSHIRE 1/				
NEW JERSEY 1/				x
NEW YORK 1/				
NORTH CAROLINA 1/				
NORTH DAKOTA 1/				
OHIO 1/	x	x		
OKLAHOMA	x			
OREGON	x	x		
PENNSYLVANIA				x
RHODE ISLAND				
SOUTH CAROLINA				
SOUTH DAKOTA				
TENNESSEE				x
TEXAS	x			
UTAH	x	x	x	
VERMONT				
VIRGINIA 1/	x	x		
WASHINGTON	x	x		
DISTRICT OF COLUMBIA 1/				
TOTAL	17	9	3	5

1/Planned Systems

Timing of Post-Program Data Collection

Of those twenty-six States that currently use some form of participant or employer follow-up (either state-administered or SDA-administered follow-up), the following post-program time periods are used:

- The vast majority of States (20 or 77%) contact the participant and/or the employer at thirteen weeks after the participant terminates.16/
- One State (4%) does twenty-six week follow-up and four States (15%) use a longer time period in addition to thirteen weeks.
- Two States (8%) use thirty days as the required follow-up period.
- Three States (12%) contact participants sometime during the quarter after termination ("other" on Table XI) but not at a set time period.

Terminees and Age Groups Tracked During the Post-Program Period

Twenty-nine States responded to the portion of the questionnaire regarding who was tracked in their follow-up system and what information was obtained. Of that number:

- Seventeen States (59%) responded that all terminees were included in the post-program system.17/
- Eleven States (38%) responded that only terminees who entered employment were tracked.

Of the twenty-nine States that do some follow-up:

- Twenty-five States (86%) follow-up on all age groups within the terminee population (adults, youth, and adult welfare recipients).
- Four (14%) States reported that only adults were included in their follow-up systems.18/

Information Collected at the Time of Follow-up

Of the twenty-six States which use some participant contact and follow-up on both adults and youth, twenty-two (85%) ask the same questions of all client groups. These States all obtain post-program information on hourly wage and current employment status.19/ (Table XIII provides specific information about what data is collected). Some States also provided information on pre-program information obtained on these participants by

TABLE XIII:

Information Collected for all Adult and Youth Terminees
(Participant or Employer Contact)

	Pre-Program			Post-Program				
	Gross Earnings	Weeks Worked	Hourly Wage	Current Welfare Status	Gross Earnings	Employment Status	Hourly Wage	Other
ALASKA	x			x	x	x	x	Labor Force Status
DELAWARE	?	x	x		?	x	x	Employed Same Employer
FLORIDA	no match with pre-program					x	x	Information on last two jobs
GEORGIA	x	x	x	x	x	x	x	Hours Worked; Benefits
HAWAII	x	x	x	x	x	x	x	Hours worked
IOWA				x	x	x	x	UC Status; Job Title; Weeks worked
KANSAS	x		x	x	x	x	x	Labor Force Status
LOUISIANA	x[1]	x	x	x	x[1]	x	x	Labor Force Status
MARYLAND	x	x	x	x	x	x	x	
MASSACHUSETTS	x	x	x	x	x	x	x	Hours worked
MICHIGAN				x	x	x	x	Labor Force Status
MISSISSIPPI	x	x	x	x	x	x	x	Labor Force Status
MONTANA				x	x	x	x	Labor Force Status
NEBRASKA	?	x	x	x	?	x	x	UC Status; Length of Unemployment
NEW JERSEY				x	x	x	x	Labor Force Status; Training Related
OREGON		x		x[2]	x[2]	x	x	Weeks worked; UC status; SIC
RHODE ISLAND					x	x	x	
SOUTH DAKOTA	x	x	x	x	x	x	x	Labor Force Status
TENNESSEE	x		x		x	x	x	Full vs. Part-time; Labor force status
TEXAS	x	x	x	x	x	x	x	
UTAH	?	x	x	x	x	x	x	In school or training
VERMONT				x	x	x	x	Training Related Job

1) Collect hours worked and hourly wage
2) State Collects

matching the client record with their management information system. The survey was not able to collect consistent information on: "hours worked" on the current job, "weeks worked" during the follow-up period, or "hours worked" on the current job, but some States did provide this information.

Post-Program Performance Measures Now in Use by States

Two States, Kansas and Washington, implemented formal post-program performance standards for PY 84. Kansas used two post-program measures both related to post-program earnings[20/] (along with three termination-based standards in addition to the Secretary's seven standards). This State did not use their post-program standards as part of their incentive system. The two post-program standards each had a weight of 14% in determining whether standards had been met, giving them the most emphasis of any standards used by the State.

Washington State established an employment status measure (whether the participant was employed at any job at time of follow-up). This standard was part of the incentive award system for PY 84.

Significant efforts are underway in the States to collect data to establish post-program performance data which could be used to establish future numeric standards. Eight of the twenty-eight States (29%) currently collecting data indicated that they were considering post-program measures for the near future. These States are: Alaska, Georgia, Massachusetts, Mississippi, Nebraska, Rhode Island, Texas, Vermont.

These States were not positive about the types of measures they would establish, but they did indicate that their plans were to establish measures in the following areas: earnings increase (six States), job retention in the same job (six States), employment status in any job (five States), welfare status (five States), percent of time employed in weeks (one State).

SECTION IV: ADDITIONAL PERFORMANCE STANDARDS

This section assessed State activity in establishing performance standards in areas other than Title II-A, specifically in the areas of older worker (3%) programs, State education coordination grants (8%) programs, Title III, and equity standards for particular target groups. The Act at Section 106(g) provides that "the Secretary shall prescribe performance standards under Title III based on placement and retention in unsubsidized employment." No standards are explicitly required by the Act for the 3% or the 8% programs. However, at Section 203(b)(3) the Act specifies that "recipients of payments made under the program of aid to families with dependent children under a State plan approved under part A of Title IV of the Social Security Act who are required to, or have, registered under section 402(a)(19) of that Act and eligible school dropouts shall be served on an equitable basis, taking into account their proportion of economically disadvantaged persons sixteen years of age or over in the area." Because these two groups were given special consideration for service in the Act, some States established specific performance standards for these target groups; other States chose to use ongoing monitoring to determine SDA compliance against equity of service for these two target groups. Where standards were used, the standards were of two kinds: separate entered employment standards or equity of service standards. "Equity of service" standards generally set the numeric goal for how many of a particular demographic group must be served in relation to their incidence in the eligible population. Under JTPA some States have included those groups with recognized barriers to employment in the State in separate equity of service standards under provisions of the Act at section 202(b)(3)(B) which specifies that incentive awards may be made for serving hard-to-serve individuals.

The first question in this section dealt with the number of States that used additional standards for equity of service or to assess other specific state goals such as economic development linkages.

Establishment of Performance Standards for the Following Types of Target Groups or State Initiatives: Public Assistance Recipients, School Dropouts, Economic Development Linkages, or Other Programs

While eighteen States (37%) either used such standards in PY 84 or plan to do so in PY 85, there is no significant activity in setting standards for "equity of service" for any one particular group. This may be because equity of service for target groups is viewed in the monitoring context rather than as a performance standards function. The survey did not specifically question whether entered employment standards were used or whether equity standards were used. It is unclear whether States included these standards in their incentive award systems since answers to that question were inconsistent with responses on the use of the 6% funds (see Table V). Of course, there are methods other than incentive awards to encourage service to the hard-to-serve.

Seven States (14%) indicated they had standards in PY 84 for public assistance recipients. Nine States (18%) noted that they planned standards in this area for PY 85.

Four States indicated they had standards for school dropouts in PY 84, and six States planned standards in PY 85.

Other types of additional standards mentioned by the responding States included (mentioned by one State per each response unless otherwise indicated): linkage and coordination standard (PY 85), cos- per-entered-employment (youth); equity standards for target groups such as ex-offenders (two), veterans, handicapped, displaced homemakers, percent female, percent minority; maintain OJT levels, youth enrollments, indirect placement rate.

Establishment of Additional Employment Standards for 3% Programs, 8% Programs, or Specific Target Groups

It appears that States have put less emphasis on establishing performance standards for State set-aside programs probably due to the diverse goals of these programs throughout the States. This may also be due to concentrating staff resources on starting up these programs, but there is no significant increase from PY 84 to PY 85 in the number of States planning to have standards for the 3% or 8% programs. However, subsequent to this survey, NGA has learned that a number of States who did not respond that they had standards for the 3% and the 8% programs have in fact implemented standards for these programs.

In PY 84, seven States (14%) established entered employment standards for older worker programs, and two additional States indicated they would do so in PY 85. Five States used cost per entered employment standards for their older worker programs in PY 84, and two additional States planned to use such standards in PY 85.

For PY 85, seven (14%) States established such standards for the 8% set-aside as well, and four additional States planned to do so for PY 85. Two of these additional States indicated they would use goals rather than standards. Five States noted that they used cost per entered employment for PY 85 for at least a portion of the State education set-aside; one additional State anticipated adding such a standard in PY 85; two States planned to add goals.

Five States (10%) noted that they would have some type of entered employment standards for groups such as handicapped participants, ex-offenders, and other hard-to-serve serve groups.

Establishment of the Required Title III Measure of Entered Employment for PY 84

The Act requires the Secretary of Labor to establish performance standards for Title III "based on placement and retention in unsubsidized employment."[21/] Since there was no experience with these programs nationally to establish national standards and since these programs were expected to vary considerably from State to State depending upon the conditions of the labor markets within the States, DOL gave much latitude to the States in establishing Title III standards within the State. In Performance Standards Issuance I-PY 84 DOL required governors to establish an entered employment rate standard for each of their Title III programs (formula funded only). Governors were also encouraged to "establish goals for the cost per entered employment, which take into consideration the Title III program design, participant characteristics, and other factors deemed appropriate by the Governor."

States were asked to describe their data sources and rationale for establishing the numeric standard for the entered employment measure. States used a combination of data sources to establish standards. Frequently, States indicated that they used a combination of Title II-A approaches (either the national standard, the Title II-A adjustment methodology, or using Title II-A as a floor) in conjunction with previous Title III experience. Of the 46 States who responded to this question:

- Four States (9%) used the Title II-A entered employment standard as a base or floor as the only approach to setting a standard. This means that the Title III entered employment rate could be set no lower than the Title II-A entered employment rate.

- Eight States (17%) specified that they used the Title II-A national standard for entered employment (55%).

  Five States (11%) used the Title II-A adjustment model to arrive at Title III standards.

  Eight States (17%) indicated that they used some form of the Title II-A entered employment standard but did not indicate what this meant. Probably one of the three methods discussed above was used.

- Four States (9%) noted that they used CETA data (one State indicating Title VII) to establish these standards, but they did not indicate how this was accomplished.

- Three States (7%) indicated that they used Transition Year Title III experience exclusively to establish the standards. Four additional States used this data in conjunction with Title II-A experience to inform their decisions.

- The remaining 14 States (30%) used "other" methods, which ranged from a use of labor market information, negotiated standards, and, as one State honestly stated, "guessing."

In some cases, states indicated that Title III funds were allocated by formula or request-for-proposals (RFP) to SDAs and that SDAs were then required to meet their previously established Title II-A entered employment standard which might include other negotiations. Several States indicated that while Transition Year Title III information was used in conjunction with Title II-A data, the Title III entered employment rates were negotiated as part of a performance-based contract. All States appeared to use a variety of data sources, but fairly standard approaches to setting the numeric values of the standards. One State, New York, attempted a regression model using their own data from their projects but did not finally use it for PY 84 to set standards. The modeling approach is still under consideration for PY 85.

Title III activities include such things as job search assistance, customized training, OJT, rapid response teams to plant closings and a host of other activities all of which may not lend themselves to entered employment as the only outcome standard. One State, Washington, mentioned an approach to setting standards that acknowledged the different types of program strategies or interventions used in Title III programs. This methodology used weighted averages from historical rates for various program activities adjusted by one client characteristic (UI claimant), but it was unclear whether this proposal was actually being used or was still in draft. One State responded that they did not believe an entered employment standard was meaningful but had established such a standard in response to the Federal mandate.

Establishment of Additional Measures for Title III for PY 84

Twenty-seven States (56% of the 48 responding) had established some additional performance measures for Title III beyond the entered-employment rate (see Table XIV for specific information). Performance Standards Issuance I-PY 84 "encouraged" States to establish cost per entered employment standards and 27 States (57% of those responding) established at least that measure.

- Twenty-four States (50%) will establish a cost per entered employment standard by PY 85.

- Thirteen States (27%) established some type of wage measure. Some indicated that they used an average wage at placement measure. Others used wage as a percentage of the dislocation wage, or average wage decline, as a measure.

- Ten States (21%) used both a cost measure and some additional measure--a wage measure of some type in all cases except one. Washington State proposed a standard on percent of placements in new or upgraded occupation.

Table XIV

Additional Title III Standards

	Cost Standard	Wage Standard	Other
ALABAMA	X		
ARIZONA	X		
CONNECTICUT	X		
DELAWARE	X		
FLORIDA	X		
ILLINOIS	X		
INDIANA	X		
IOWA	X	X	
KANSAS	X	X	X
KENTUCKY	X(PY 85)		
MAINE		X	
MARYLAND	X(PY 85)	X(PY 85)	
MASSACHUSETTS		X*	
MISSISSIPPI	X	X	
MISSOURI	X	X	
MONTANA	X	X	
NEBRASKA	X		
NEW JERSEY	X		
NEW YORK	X		
NORTH CAROLINA	X		
OHIO		X	
TENNESSEE	X	X	
UTAH	X	X	
VERMONT	X		
VIRGINIA	X		
WASHINGTON	X	X	
WISCONSIN	X	X**	

*Wage decline
**Placement wage as % of dislocation wage

- One State, Washington, used employment retention as a measure -- defined as the number of participants employed 13 weeks after termination. The retention rate was set at 70% -- higher than the retention rate the State used for Title II-A since the State believed the Title III population had a strong work history and demonstrated attachment to the labor force.

- Washington State also has proposed a standard on percentage of placements in new or upgraded occupations.22/ While the proposal was still in draft form when sent to NGA it reflects Washington's basic premise that the dislocated workers have been employed in industries and/or occupation for which there is diminishing need or demand.

Establishment of the Title III Measure of Entered Employment for PY 85

Most States planned to use the same data sources for PY 85 as for PY 84 plus any additional PY 84 Title III information available at the time. Only two States planned to add a Title III standard for PY 85. Neither of these States had additional Title III standards (beyond entered employment rate) for PY 84.

FOOTNOTES

1/ Job Training Partnership Act, Section 106(e).

2/ Performance Standards Issuance I-PY 84, January 31, 1984; pg. 8. Guide for Setting JTPA Title II-A Performance Standards, March, 1985, pg. A14-A15.

3/ Job Training Partnership Act, Section 202(b(3)(B).

4/ Performance Standards Issuance I-PY 84, January 31, 1984; pg. 8.

5/ The Act at Section 202 (b)(3)(B) states that awards should be made based on the degree by which the service delivery area exceeds its standards.

6/ IBID

7/ JTPA, Section 106 (h)(1).

8/ There is no written policy guidelines on this issue, but DOL officials have stated that "in their judgment it would not be acceptable, in accordance with Section 106 (h)(1) of the Act."

9/ Performance Standards Issuance Number 3-84, October, 7, 1984.

10/ One reporting item for the attainment of youth employment competencies was recommended by the JTPA Performance Standards Advisory Committee.

11/ This question was included because at one time the Department of Labor was considering requiring that all areas of employment in which a youth was identified as deficient must be attained through participation in JTPA before an SDA could take credit for the attainment of a youth employment competency.

12/ Performance Standards Issuance Number 3-84, October 7, 1984.

13/ The key issue in deciding what, if any, adjustments to make was, in fact, the types of youth programs operated by an SDA. One of DOL's contractors for performance standards, SRI, showed this difference graphically in an analysis of information from the Job Training Longitudinal Survey.

Positive-Termination Rates

	Without Attainment of Employment Competency	With Attainment of Employment Competency
Youth Characteristics		
School Status		
In-School	54%	71%
Out-of-school		
Dropout	63%	65%
Graduates	75%	77%
Age		
14-18	60%	70%
19-21	71%	73%

14/ See Table VI in Section II for information from incentive policies on this issue. In addition to the States on that table, New Hampshire and Florida reported weighting the PTR less than the EER for youth.

15/ Participant follow-up was proposed by DOL as the standard follow-up system in the Federal Register Notice of April 26, 1983, and was also recommended by the JTPA Performance Standards Advisory Committee in June, 1985.

16/ The JTPA Performance Standards Advisory Committee recommended 13 weeks as the appropriate follow-up time period.

17/ The JTPA Performance Standards Advisory Committee recommended contacting all terminees.

18/ The JTPA Performance Standards Advisory Committee recommended in June, 1985, that follow-up be conducted for all adult terminees.

19/ The recommendations in June, 1985 of the JTPA Performance Standards Advisory Committee could be implemented by twenty-six States from the information they currently collect.

The recommended post-program measures were: employment status during the 13th week; employment intensity--the number of weeks employed during the follow-up period; and average earnings during the 13th week (for those employed).

20/ The two post-program measures and standards were:

Earnings Increase (Adult) - The percentage that the average earnings of JTPA participants during the six months subsequent to the quarter of termination exceeds the average earnings of a control group during the same period of time: 12%

Earnings Gain per Dollar Expended (Adult) - The difference between the average earnings of JTPA participants and that of a control group (during the six months after the quarter in which the participants terminated) as a percentage of the average cost per adult termination. (Note: The cost per termination is the total expenditures for adults divided by the number of adults who terminated): 12%

21/ JTPA, Section 106(g).

22/ Percentage of Placement in New and Upgraded Occupations is defined in the following formula:

$$\frac{\text{Number of participants employed at the end of 13 weeks after termination from the program who are in an occupation different from the one from which they were displaced.}}{\text{Number of participants employed at the end of 13 weeks after termination from the program.}}$$

Recommendations to the Department of Labor

The analysis of the State Implementation of Performance Standards under the Job Training Partnership Act revealed a number of concerns which NGA believes must be brought to the attention of the Department of Labor for resolution. These issues are confined to areas where NGA believes that action on the part of the Department can result in significant improvements in the performance standards system.

1. It is recommended that the Department of Labor standardize the definitions of data element used in the DOL adjustment methodology and that related reporting problems be addressed.

2. It is recommended that DOL formally endorse the use of 6% funds for preventative technical assistance.

3. It is recommended that DOL add a data item on the JTPA Annual Status Report for the attainment of youth employment competencies.

4. It is recommended that DOL adopt the recommendations of the JTPA Performance Standards Advisory Committee regarding beginning post-program data collection for Title II-A by the beginning of PY 86.

5. It is recommended that DOL provide substantial technical assistance to state and local programs technical assistance to implement post-program follow-up.

6. It is recommended that DOL provide assistance to States in developing performance standards for state set-aside programs.